GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:670
ANSWERED ON:28.07.2006
INCENTIVES ON SMALL SAVINGS
Paraste Shri Dalpat Singh

Will the Minister of FINANCE be pleased to state:

(a) the details of new small savings schemes introduced during last three years ;

(b) the details of incentives provided by Government on Post Office Small Savings in the country; and

(c) the steps taken by the Government to make the small savings scheme more attractive ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) A new savings scheme, viz., Senior Citizen Savings Scheme 2004 was introduced with effect from 2nd August 2004. Persons of age 60 years and above and those retired persons who are of age 55 years and above but less than 60 years are eligible to invest under the scheme. The deposits under the scheme carry interest rate of 9 per cent per annum payable on quarterly basis.

(b) Post office small savings schemes constitute a risk free investment as they carry an implicit sovereign guarantee. The schemes are designed keeping in view the needs of different segments of investors. The schemes enjoy a number of incentives like zero risk, regular income, tax concessions, easy accessibility, liquidity, etc.

(c) The small savings schemes, carrying different tenor and rate of interest are administered by the Government of India and are designed to provide safe and attractive investment option to the different sections of small investors.The Central and State Governments take various steps to promote and popularize these schemes including use of print and electronic media, arranging seminars and meetings and providing training to the various agencies involved in mobilizing the collections.Recently a website of National Savings Institute under the Ministry of Finance has been launched to facilitate the interface of citizens with the Government on issues concerning Small Savings Schemes.The website address is nsiindia.gov.in.